



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

RECEIVED-FPSC
10 SEP 9 11:42 AM

-M-E-M-O-R-A-N-D-U-M-

COMMISSION
CLERK

DATE: September 9, 2010
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Curt Mouring, Regulatory Analyst III, Division of Economic Regulation
RE: Docket No. 090349-WS, Application for limited proceeding rate increase in Polk County by Cypress Lakes Utilities, Inc.

Attached is Cypress Lake Utilities, Inc.'s supplemental response for inclusion in the docket file in the above referenced docket.

DOCUMENT NUMBER: 090349
07554 SEP-9 11:42 AM
FPSC-COMMISSION CLERK

Curt Mouring

From: Stan Rieger
Sent: Wednesday, September 01, 2010 2:34 PM
To: 'Patrick Flynn'
Cc: Kirsten Weeks; Erin Povich; Curt Mouring
Subject: RE: Doc. 090349-WS -- Cypress Lake Utilities, Inc.'s LIMP

Patrick - I will be out of the office Thursday and Friday. Since the CLU generator retirement information may not reach me by 4 this afternoon, please forward the data when it is available to Curt Mouring at cmouring@psc.state.fl.us. Thanks.

From: Patrick Flynn [mailto:PCFlynn@uiwater.com]
Sent: Saturday, August 21, 2010 1:24 AM
To: Stan Rieger
Cc: Kirsten Weeks; Erin Povich
Subject: RE: Doc. 3090349-WS -- Cypress Lake Utilities, Inc.'s LIMP

Stan, I will forward your request to Accounting to get their assistance in answering this question.

Kirsten, can you or Erin P. provide the requested data?
 Thanks,
 Patrick
 (321) 972-0359

From: Stan Rieger [mailto:SRieger@PSC.STATE.FL.US]
Sent: Thursday, August 19, 2010 2:03 PM
To: Patrick Flynn
Cc: Patti Daniel; Curt Mouring; Bart Fletcher; Andrew Maurey
Subject: FW: Doc. 3090349-WS -- Cypress Lake Utilities, Inc.'s LIMP

Patrick - Concerning the generator. Can you provide the data entry showing the dollar amount at the time of the unit transfer to another company? Secondly, can you reconcile that the incremental increase is a net adjustment to the \$1,130,535 in the filing? Can you provide the corresponding ledger entry on that?

From: Patrick Flynn [mailto:PCFlynn@uiwater.com]
Sent: Thursday, August 19, 2010 8:16 AM
To: Stan Rieger
Cc: Kirsten Weeks; Erin Povich
Subject: RE: Doc. 3090349-WS -- Cypress Lake Utilities, Inc.'s LIMP

Good morning, Stan.

1. We agreed to provide CLHA with the results of our recent water quality analyses. CLHA is to obtain data from the city and make the comparison for the benefit of their constituents. I assume after delivering the data recently that this task is done.
2. The original generator was retired from the books of Cypress Lakes and moved to another company. The filing reflects the net increase in rate base after making the retirement on our books.

9/9/2010

DOCUMENT NUMBER DATE
 07554 SEP-9 2
 FPSC-COMMISSION CLERK

Thanks,
Patrick
(321) 972-0359

From: Stan Rieger [mailto:SRieger@PSC.STATE.FL.US]
Sent: Wednesday, August 18, 2010 3:12 PM
To: Patrick Flynn
Cc: Patti Daniel
Subject: Doc. 3090349-WS -- Cypress Lake Utilities, Inc.'s LIMP

Patrick - We are trying to connect some loose ends here:

- 1) In the 6/23/2010 correspondence to the Commission from CLU and CLHA, the possible water interconnection with the City of Lakeland discussion mentioned that CLU and CLHA would obtain CLU and the City of Lakeland's well water analysis for comparison purposes. Was that information exchanged? What was the result of the analysis? Are the two water sources similar in water quality? Do both parties agree on the comparison outcome?
- 2) With the recent upgrade of the wastewater treatment plant, a new emergency diesel generator was installed to accommodate the increased power needs of that facility. This was a replacement the existing smaller size generator. There has been a recent inquiry about the retirement value of the older generator. Was the older generator retired from service at CLU, or is it used elsewhere? If retired, what is the retirement value?

9/9/2010

Curt Mouring

From: Christian W. Marcelli [CMarcelli@RSBattorneys.com]
Sent: Thursday, September 02, 2010 9:01 AM
To: Curt Mouring; Bart Fletcher; Lorena Holley; Charles Rehwinkel; rhalleen1@tampabay.rr.com; rhalleen@aol.com
Cc: Kirsten Weeks; Patrick Flynn; John Williams; Martin Friedman
Subject: Cypress Lakes Generator Entry - finalized
Attachments: CL WWTP genset 150Kw July 2000.pdf; Generator Transfer.xlsx

All,

Please see the attached details regarding the generator that was transferred from Cypress Lakes to another system owned by Utilities, Inc. You may recall we briefly discussed this issue on the telephone meeting yesterday. Please let me know if you have any questions or concerns.

Regards,
Christian

Christian Marcelli, Esquire
Rose, Sundstrom & Bentley, LLP
2180 W. State Road 434
Suite 2118
Longwood, FL 32779
(407) 830-6331 (Phone)
(407) 830-8522 (Fax)
www.rsbattoorneys.com

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9/9/2010

United Energy Systems, Inc.
 7350 129th Avenue North, Trk M
 Largo, Florida 33773

INVOICE

Phone : (727) 536-8979 Fax : (727) 530-1495

Date: 07/15/00 Inv. No.: 20567
 Due Date: 08/15/00 Page No.: 1

U100
 UTILITIES, INC.
 200 WEATHERSFIELD AVENUE
 ALTAMONTE SPRGS FLA 32714

RECEIVED
 JUL 24 2000

Slip To/Remarks

SHIP VIA: FOB TERMS: 0/0/N30 YOUNG # OUR # SALES REP

DESCRIPTION ITEM NUMBER	ORDERED UNIT MEASURE	SHIPPED BACKORDERED	UNIT PRICE ITEM DISCOUNT	EXTENDED PRICE
PROVIDE GENERATOR AND TRANSFER SWITCH AND STARTUP LABOR FOR CYPRESS LAKES PER PATRICK FLYNN.				
225AMP SWITCH (UTILITIES) Item #: 26295079	1.0	1.0	2545.0000	2545.00
400AMP SWITCH Item #: 26295065	1.0	1.0	3440.0000	3440.00
150KW GENERATOR SET(UTILITIES) Item #: 25167800	1.0	1.0	23100.0000	23100.00

SUB TOTAL	
TAX	
TOTAL	
NET TO PAY	

Diesel Energy Systems, Inc.
 7855 17th Avenue North, City
 Largo, Fla 34677

Phone : (727) 938-9979 Fax : (727) 938-1405

INVOICE
 VIII85

Date: 07/15/00 Inv. No.: 02589
 Due Date: 08/15/00 Page No.: 2

UICO
 UTILITIES, INC.
 200 WEATHERSFIELD AVENUE
 ALTAMONTE SPRGS FLA 32714

RECEIVED
 JUL 24 2000

Ship To/Remarks

SHIP VIA FCB TERMS YOUR # OUR # SALES REP

01 01 N30

DESCRIPTION ITEM NUMBER	ORDERED UNIT MEASURE	SHIPPED BACKORDERED	UNIT PRICE ITEM DISCOUNT	EXTENDED PRICE
Freight Charges INBOUND				1450.00
Freight Charges OUTBOUND				655.00
Industrial Labor				856.00

Sub # 1022 Water Sewer or Both (Circle One)
 Sub Name Cypress Lakes
 Retirement Info. _____
 Cross Ref. Invoices WO
 Approval _____ Date _____
 Date received _____

PR
 WO# 072-0672-1160002-20706

NOTE: ALL GOODS REMAIN THE PROPERTY OF
 DIESEL ENERGY SYS INC. UNTIL PAID FOR IN
 FULL 1 1/2% PER MONTH ON PAST DUE AMOUNT

SUB TOTAL	30086.00
TAX	2183.30
TOTAL	32269.30
NET TO PAY	32269.30

Cypress Lakes
 Limited Proceeding
 Generator Transfer Questions

In 1999, the office building at the Cypress Lakes WWTP caught fire, which destroyed, among other things, the wastewater plant's original generator. Capital project #072-0672-116-00-02, executed in 2000, included the replacement of the parts, tools, equipment, and supplies lost in the fire including the purchase and installation of a 150Kw emergency generator.

In 2009, the 2000 generator was found to be undersized due to the increase in electrical load and was replaced with a 250Kw generator. The 150Kw generator was transferred to our Pebble Creek system. The entry to retire the 150Kw generator from the books of Cypress Lakes Utilities was not made at that time as it should have been. The company has recalculated the depreciation roll-forwards, which are based on the 2000 invoice amount (attached) and the relocation of this generator in June 2009.

Company	OBJ ACCT	Description		DR	CR
Cypress Lakes	1405 TREAT/DISP EQUIP RCL WTP	Asset Account	Transfer of Generator	-	34,229.30
Cypress Lakes	2160 ACC DEPR-TREAT/DISP EQP TRT PLT	Accumulated Depreciation	Transfer of Generator	18,065.46	-
Cypress Lakes	6765 DEPREC-TREAT/DISP EQ TRT PLT	Depreciation Expense	Transfer of Generator	-	1,426.22
Cypress Lakes	7690 SALE OF EQUIPMENT	Sale of Equipment	Transfer of Generator	17,590.06	-
				35,655.52	35,655.52